

EMPOWERING WOMEN THROUGH TARGETED CONDITIONAL CASH TRANSFERS

Targeting payments of a nationwide conditional cash transfer program to women increased household spending on food by empowering women and enhancing their decision-making power in the household.

Featuring evaluations by Ingvild Almås, Alex Armand, Orazio Attanasio, Pedro Carneiro, and Valérie Lechene



WOMEN IN OHRID, NORTH MACEDONIA. PHOTO: THE VISUAL EXPLORER | SHUTTERSTOCK.COM

Most conditional cash transfers (CCT) target women, in an effort to empower women and deliver better outcomes for children.¹ The underlying assumptions are that men and women prefer to spend their income differently and that giving women extra resources in the household may increase their participation in household decisions by increasing their control over how funds are spent.

Previous studies have shown that providing transfers to a female member of the household leads to shifts in spending, suggesting that gender-targeted transfers may be important.² However, it is not clear how targeting women leads to changes in household consumption and whether targeting transfers to men would achieve similar results. Additionally, there is limited evidence on how cash transfers to women impact empowerment within the household, a difficult concept to accurately measure.

To test whether targeting cash transfers to women can play a role in their empowerment and change household consumption, researchers Orazio Attanasio (Yale University, J-PAL affiliate), Ingvild Almås (Stockholm University), Alex Armand (Nova School of Business and Economics),

Pedro Carneiro (University College London), and Valérie Lechene (University College London) evaluated a nationwide CCT program for low-income households in the Republic of North Macedonia that randomly allocated transfers to either mothers or fathers.

KEY RESULTS:

When mothers received the cash transfers, households spent more of their budget on food than when the household heads, mostly men, received the transfer. Targeting the transfers to women increased the share of household spending on food by 3.9 percentage points compared to 55.1 percent when the household head, generally the father, was the recipient. For households that spent less on food at baseline, targeting transfers to mothers shifted food spending toward more nutritious foods.

Cash transfers targeted to women improved female empowerment. Women receiving the cash transfer were willing to give up less of an additional transfer (by 5.3 percentage points, or about 16 percent) to gain control of it compared to women who had not received the first transfer. A lower willingness to give up the payment suggests that women receiving the cash transfers were more empowered.

A new methodology for measuring women's empowerment was more effective than traditional survey questions.

Researchers used a novel method to measure women's empowerment by directly observing women's decisions. This approach identified impacts that were not detected by the traditional survey techniques.

EVALUATION

North Macedonia’s *Conditional Cash Transfers for Secondary School Education* program aimed to increase secondary school enrollment among children from households living in poverty. The program was the country’s largest income support program, accounting for 50 percent of total spending on social assistance in 2007.³

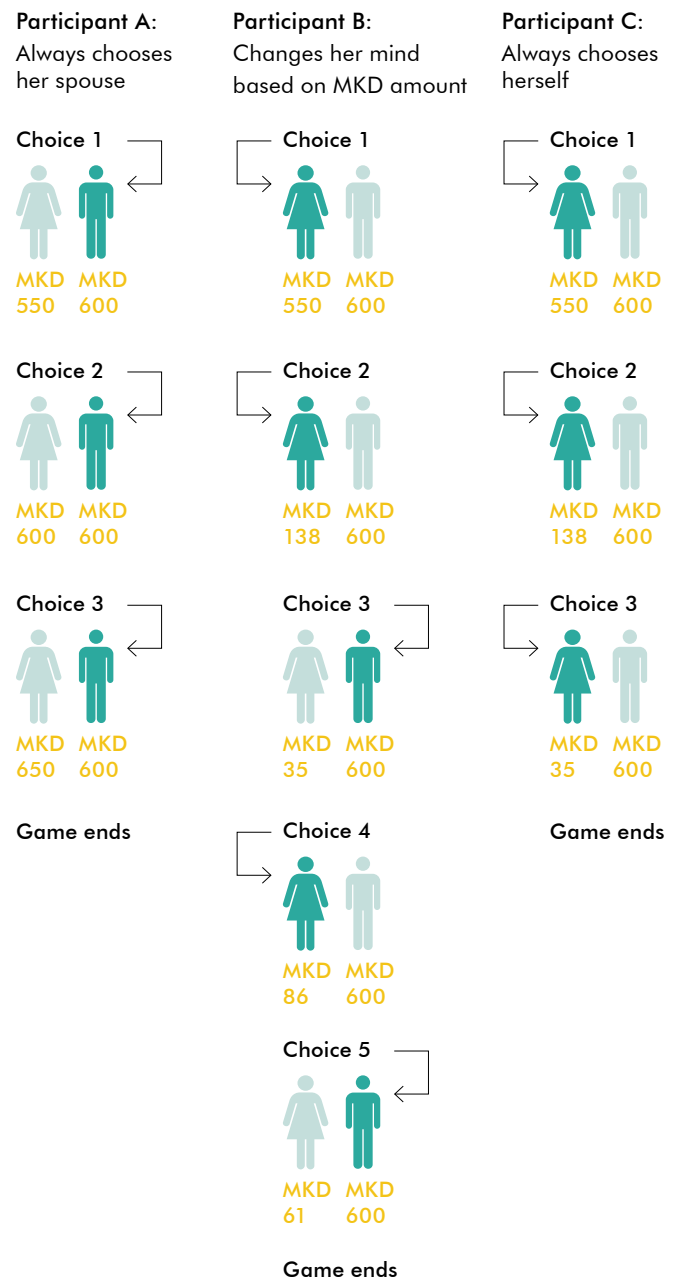
The program was introduced nationwide in 2010, and half of the country’s 84 million municipalities were randomly selected to receive transfers directed to mothers, while in the other half the household head (usually the father) received the transfer. To identify the program’s impact on household spending, researchers conducted household surveys in 2010, before the launch of the program, and again two years later.

Researchers conducted a follow-up study in 2014 to evaluate the program’s impact on women’s empowerment among 768 women who lived in urban areas and participated in the first phase of the study. They used an innovative methodology for measuring women’s empowerment by conducting a lab study to directly observe the behavior and choices of participants. In comparison, researchers commonly measure women’s empowerment through survey questions asking who—husbands or wives, or jointly—makes different important household decisions like spending on food, or schooling.

Researchers offered participating women a cash transfer and a series of choices between the full amount of payment given to their husbands or a smaller amount given directly to the women (Figure 1). The amount offered ranged from 400 MKD (US\$8.60) to 800 MKD (US\$17.20), equivalent to 62 to 123 percent of the average total daily household spending of 650 MKD (US\$16.98). Women’s willingness to give up part of the transfer to gain control over how it was spent revealed their decision-making power. The assumption was that if women had equal decision-making power as their husbands, they would prefer to maximize the amount of the transfer by choosing not to forego any part of it. Conversely, the larger the amount women were willing to give up in order to control the transfer indicated lower levels of empowerment. Researchers compared the outcomes of women who were the recipients of the CCT with women from households where the head had received the transfer to measure the impact of the CCT on women’s empowerment. At the end of the lab study, they also conducted traditional surveys on empowerment to compare the different techniques.

FIGURE 1. EMPOWERMENT MEASUREMENT STRATEGY: EXAMPLES OF SERIES OF CHOICES

The figure presents three possible combinations of a participant’s answers. From the left, the first shows a case in which the participant always chooses the option where her spouse is the recipient. The second shows a case in which the participant switches after the second question. The third shows instead a case in which the participant decides she will be the recipient independent of the cost.



¹ Armand, Alex, Orazio Attanasio, Pedro Carneiro, and Valérie Lechene. 2020. “The Effect of Gender-Targeted Conditional Cash Transfers on Household Expenditures: Evidence from a Randomized Experiment.” *The Economic Journal* 130, no. 631: 1875–1897. <https://doi.org/10.1093/ej/ueaa056>.

² For example, Attanasio, Orazio and Valérie Lechene. 2014, “Efficient Responses to Targeted Cash Transfers,” *Journal of Political Economy* 122, no. 1: 178–222; Attanasio, Orazio, Erich Battistin, and Alice Mesnard, 2012, “Food and Cash Transfers: Evidence from Colombia,” *The Economic Journal* 122: 92–124; Macours, Karen, Norbert Schady, and

Renos Vakis, 2012, “Cash Transfers, Behavioral Changes, and Cognitive Development in Early Childhood: Evidence from a Randomized Experiment,” *American Economic Journal: Applied Economics* 4, no. 2: 247–273.

³ The World Bank, 2009, “Project Appraisal Document on a Proposed Loan in the Amount of Euro 19.3 Million (USD 25 Million Equivalent) to the Former Yugoslav Republic of Macedonia for a Conditional Cash Transfers Project,” Report no. 47195-MK.

RESULTS

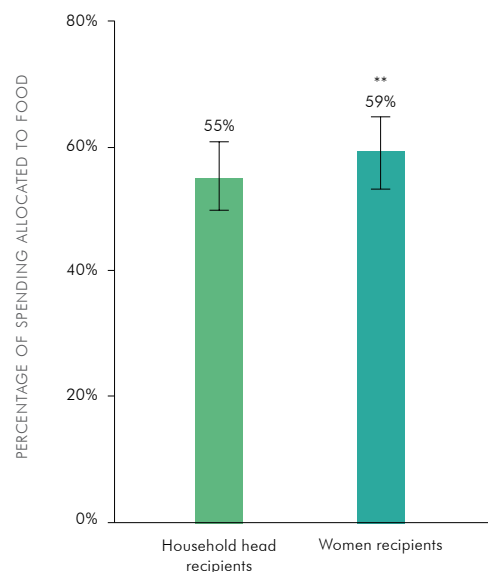
Targeting the CCT to mothers increased the share of household spending allocated for food. Households in which mothers received the CCT payments spent 3.9 percentage points more of their budget on food compared to 55.1 percent when the (mainly male) household head was the recipient (Figure 2). This corresponds to an average 7 percent increase in households' share of food in their budget. This result was driven by households who allocated more than 35 percent of their total spending to food (91 percent of households), and these households were likely to be lower income. For households that spent less than 35 percent of their budget on food (9 percent of households), targeting transfers to mothers shifted food spending toward more nutritious foods (e.g., meat, fish, and dairy).

Increasing mothers' income share was the key driver of higher food expenditure. Researchers found no significant change in the levels of overall household spending, nor evidence of households shifting to more expensive food items. Instead, mothers' income drove the change in food expenditure, with a 1 percentage point increase in a mother's contribution to household income leading to a 0.24 percentage point increase in the share of household income spent on food. Moreover, the cash transfer program increased women's contribution to household income. Residing in municipalities where mothers were assigned recipients of the transfers increased mothers' income share by 17 percentage points, while receiving at least one CCT payment led to an increase of 21 percentage points.

The CCT program enhanced women's empowerment when women were the recipient of payments. On average, participants were willing to sacrifice around 19 percent of the payment amount to receive the transfer regardless of whether they had been recipients of the CCT payment. However, women who were recipients of the CCT program were less willing to give up a share of the payment in order to become the recipients instead of their husbands (5.3 percentage points lower compared to women from households where the head received the cash transfer, where this portion was about 22 percent). This decrease indicates that the CCT payment empowered female recipients, as they were less willing to give up funds to gain control of it. Notably, a substantial fraction of women (7 percent) were willing to sacrifice almost the whole amount to avoid their husband becoming the recipient. This suggests that these women may benefit very little, or even experience negative effects, from their husband's increased income.

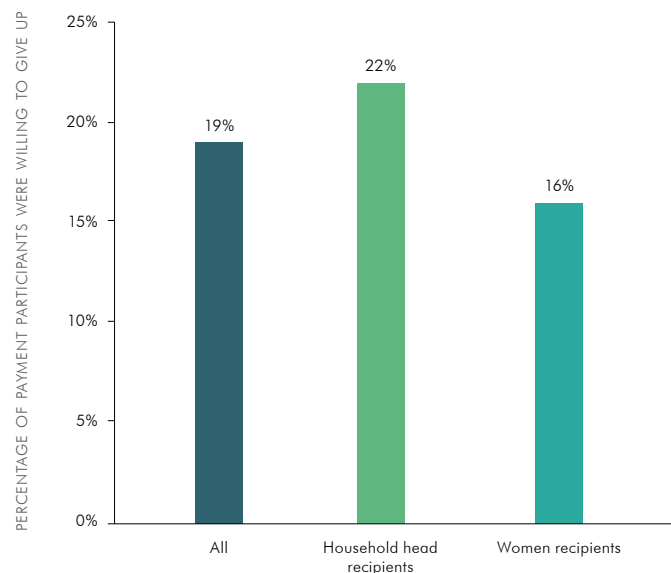
Impacts on women's empowerment differed depending on measurement methodology. The researchers' novel approach of asking women their willingness to sacrifice household income for control may have more effectively measured women's household decision-making power, as traditional surveys found no effect.

FIGURE 2. TARGETING THE CCT TO MOTHERS INCREASED HOUSEHOLD SPENDING ON FOOD



Note: Error bars represent 95% confidence intervals. Statistically significant difference relative to the comparison group is noted at the 1% (***), 5% (**), or 10% (*) level.

FIGURE 3. THE CCT PROGRAM ENHANCED WOMEN'S EMPOWERMENT WHEN WOMEN WERE THE RECIPIENTS OF PAYMENTS



POLICY LESSONS



WOMAN AND CHILD IN SKOPJE, NORTH MACEDONIA. PHOTO: NEIL BUSSEY
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Directing cash transfers payments to mothers rather than fathers can change household spending patterns and promote children's wellbeing. Many CCT programs target women to support human capital development among children, but the assumptions underlying this choice are often untested. This study indicates that the recipient of cash transfers can influence outcomes for children's development. In particular, the study shows that empowering women by making them the recipients of the transfer can change household spending and lead to higher food consumption.

Targeting cash transfers to women can contribute to their empowerment.

When women's contribution to the household's income is lower than their husbands', they can often have less power when it comes to household decisions.⁴ In this context, women were, on average, willing to sacrifice some household income to directly receive the money and gain more power over resources. Better understanding the mechanisms through which resources are allocated within households is important for policies that seek to empower women. Allocating resources to women can be a

way to increase their control over household decisions and thus empower them.

Measuring women's empowerment by observing behavior and choices may be more accurate than traditional survey methods.

Empowerment is complex and difficult to measure, and typical survey-based methods have often failed to grasp context-specific understandings of empowerment. Measuring women's empowerment through direct observation of women's choices and behavior can be a more effective technique, advancing policymakers' efforts to promote women's empowerment through better research methods.

Featured Evaluation: Almås, Ingvild, Alex Armand, Orazio Attanasio, and Pedro Carneiro. 2018. "Measuring and Changing Control: Women's Empowerment and Targeted Transfers." *The Economic Journal* 128, no. 612: F609–F639. <https://doi.org/10.1111/econj.12517>.

Armand, Alex, Orazio Attanasio, Pedro Carneiro, and Valérie Lechene. 2020. "The Effect of Gender-Targeted Conditional Cash Transfers on Household Expenditures: Evidence from a Randomized Experiment." *The Economic Journal* 130, no. 631: 1875–1897. <https://doi.org/10.1093/ej/ueaa056>.

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⁴ For example, Orazio Attanasio and Lechene, Valérie, 2002, "Tests of Income Pooling in Household Decisions," *Review of Economic Dynamics* 5, no. 4: 720–748.

The Abdul Latif Jameel Poverty Action Lab (J-PAL) is a network of affiliated researchers around the world who are united by their use of randomized evaluations to answer questions critical to poverty alleviation. J-PAL's mission is to reduce poverty by ensuring that policy is informed by scientific evidence.

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